iSIGN Media Solutions Inc.

Management's Discussion & Analysis
For the Nine Months Ended January 31, 2015

This Management Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of iSIGN Media Solutions Inc. (the "Company" or "iSIGN") for the nine months ended January 31, 2015. This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended April 30, 2014 and 2013. This discussion contains forward looking information that is qualified by reference to, and should be read in conjunction with the Caution Regarding Forward Looking Statements below.

This MD&A provides information that the management of iSIGN believes is important to assess and understand the results of operations and financial condition of the Company. Our objective is to present readers with a view of iSIGN from management's perspective by interpreting the material trends and activities that affect the operating results, liquidity and financial position of iSIGN. All monetary amounts unless otherwise specified are expressed in Canadian dollars.

Additional information relating to iSIGN is available on SEDAR, at www.sedar.com. The common shares of the Company are listed for trading on the TSX Venture Exchange under the trading symbol ISD-V. In addition, iSIGN is also listed on the OTC Pink Sheets, under the trading symbol ISDSF. For more information on the Company, please visit our website at www.isignmedia.com.

This MD&A is current as of March 31, 2015.

iSIGN's unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Caution Regarding Forward-Looking Statements

Readers are cautioned that actual results may differ materially from the results projected in any "forward-looking" statements included in the foregoing report, which involve a number of risks or uncertainties. This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of the applicable Canadian securities legislation. Forward-looking statements are not historical facts and include statements regarding the Company's planned development activities, anticipated future profitability, losses, revenues, expected future expenditures, the Company's intention to raise new financing, sufficiency of working capital for continued operations and other statements regarding anticipated future events and Company's anticipated future performance.

Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "continue", "anticipates" or "does not anticipate", or "believes" or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All forward-looking statements are based on our beliefs and assumptions based on information available at the time the assumption was made. While iSIGN considers its assumptions to be reasonable and appropriate based on the current information available, there is a risk that they may not be accurate. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievement of iSIGN to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to the integration of acquisitions, as well as those factors discussed in the section entitled "Risk Factors" in this MD&A. Before making any investment decisions and for a detailed discussion of the risks, uncertainties and environment associated with our business, fully review the section entitled "Risk Factors" in this MD&A.

Caution Regarding Forward-Looking Statements – continued

Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. iSIGN does not undertake to update any forward-looking statements that are incorporated by reference herein, except as required by law.

Outlook

The Company continues to move forward towards its goal of becoming the leading interactive mobile advertising solutions for advertisers, manufacturers, retailers and advertising agencies worldwide, while becoming the world standard for mobile messaging and data capture.

We have successfully transitioned from a strict Software as a Service ("SaaS") company to a SaaS company with a data product that can be monetized. We continue to develop new software, while improving our products with key input from our major clients and partners. We have taken delivery of 2,500 Smart Antennas since late April 2014, in anticipation of major up-coming trials and orders. Development of our Smart Player unit that allows for the management of two digital signs and simultaneous delivery of messaging to mobile devices has been completed. Prototype units have been manufactured and forwarded to our major client for testing and feature review. We are continuing, with our PR firm to regularly promote ourselves, as well as the proximity marketing industry, with the goal of expanding knowledge of our Company and the industry throughout the United States and Canada, as well as internationally.

On May 16, 2014, the United States Patent and Trademark Office granted patent status for the Company's "method and system for out-of-home proximity marketing and for delivering awareness information". This has allowed iSIGN to move forward with certain companies and organizations who, although interested in the Company's technology, were concerned over the lack of patent protection.

The production of our Smart Player prototypes and receipt of our US Patent, enabled us to finalize the signing of a reseller agreement with Keyser Industries Inc. ("Keyser") in July 2014 that allows Keyser to market and sell our hardware and software technology throughout the United States. In addition, Keyser signed a partnership agreement with both the Company and our exclusive distributor for the Americas, Graphic Media, Inc. ("Graphic"). Keyser has a long and successful history with many large companies in the Quick Service Restaurant ("QSR") and retail channels, having completed over 200,000 installations since 2000. Keyser has completed its testing of the Smart Player prototype as well as their Beta testing of Chameleon software. Both the hardware and software passed their vigorous testing and were approved without issue. The next step is for Keyser to finish their new drive-thru kiosks for the QSR market and for their clients to initiate installation of the kiosks.

In past years when the Company was demonstrating its hardware and technology, potential clients focused on whether the system actually worked and whether consumers would respond to mobile messaging. In fact, the newness of the entire industry of mobile messaging and proximity marketing worked against us, as companies preferred the tried and proven method of communicating with consumers. The introduction of Apple's iBeacon and our continued efforts to promote the medium and our technology combined with our having successfully demonstrated the ability of our technology to gather metrics in sufficient volumes with substantial redemption rates under trial conditions, has resulted in companies become more receptive to mobile broadcasting.

Outlook - continued

Trials with potential clients are now focused on shoppers' interactions with clients' content and acceptance of the concept of mobile messaging in the client's specific environment, not on whether the concept of proximity marketing works. The Company anticipates that this will result in revenues from the signing of contracts for installations of our products and the related on-going recurring monthly fees; this will enable the steady accumulation of data which will give rise to the resulting revenue stream from data sales.

Our solution continues to be trialed in various installations, including major trials with a national US pizza chain, whose trial has recently been expanded to include their carbonated drink supplier; Golden Pantry, in 38 locations in the greater Atlanta Georgia area, which currently involves four major national brands, including: Kellogg's, Swisher Sweets, Mars and most recently, Coca-Cola advertising on the combined mobile and digital network.

Late in the Company's third quarter, trials were commenced in two new revenue channels, real estate and hospitality. Real estate trials are currently taking place with a realtor located in Florida. A trial is currently underway in a Quality Inn location in the greater Toronto, Ontario, Canada area.

Through the on-going efforts of our public relations companies, we continue to receive a substantial amount of press attention, including articles and interviews. This press, as well as our corporate networking and trade show attendance continues to bring us an increasing amount of attention and increasing inquiries from concerning our technology and our hardware products. Increasingly we are finding that this attention is focused more on our data gathering capabilities and that potential resellers, customers and advertisers/brands are concentrating on our ability to gather "Clean Data" (data that is entirely anonymous with regards to shoppers' privacy, capturing absolutely no personal information), while gathering potentially valuable information that is both preference based and predictive on a variety of interactions with shoppers' mobile devices. The introduction of the iBeacon during the past year, while helping to 'legitimize' the profile of proximity marketing has brought many inquiries to us from companies anxious to understand the differences between our two vastly different products and our advantages and strengths as compared to iBeacon (visit our website at www.isignmedia.com for a comparison of our Smart Antenna to the iBeacon under About Us/Reports and Infographics).

Over the past number of months, we added several large, well-known companies as resellers of our hardware and technology: (i) Speech and Software Technologies ("SST"), a leading product-engineering global IT service provider, located in India; (ii) Magnetic Media Holdings, Inc. "Magnetic 3D"), an industry leader in the field of glasses-free 3D digital signage media and creative services, located in New York City; (iii) Dynamic Digital Strategic Solutions, LLC ("DDS"), an industry leader in the field of automated equipment, ATM and the digital signage industry; (iv) JEA Technologies ("JEA"), located in Australia, the largest supplier of OE hardware to Australian and New Zealand manufacturers in a variety of industries that are suited to iSIGN's hardware and technology solutions; (v) Nümédia ("Nümédia"), a leading provider of 'Intelligent Media Solutions', whose technology allows their clients to manage and operate digital displays through its proprietary software; and (vi) SC Best Communication SRL ("SC"), located in Rumania. In addition, JEA requested and was granted an upgrade of their status from reseller to that of distributor.

The Company continually receives requests from companies inquiring about the possibility of entering into reseller agreements with us. Currently we are dealing with companies located in: Sweden; United Arab Emirates; Panama; Canada; Chile; Kenya; Nigeria: New Zealand; the UK; Columbia; El Salvador and Germany. These requests are in various stages of discussion from preliminary conversations to in-depth negotiation and we expect that some could lead to reseller appointments with exclusive territories and upfront payments for hardware.

The Chameleon software that manages content on digital signage screens in addition to sending messaging to mobile devices, as stated earlier has been completed and approved by Keyser. It has been forwarded to JEA, our Australian distributor/reseller, for promotion in their market.

Outlook – continued

Experts from Baylor University/Hankamer School of Business have stated the Company's data has potential commercial value ranging from $0.20 for simple mobile insights to upwards of $4 for mobile insights integrated with point-of-sale information. The Company has shared samples of data/insights with its significant business partner that packages and sells data to global marketing customers and generally the commercial value ranges have been confirmed as realistic. iSIGN utilizes cloud storage for its data, so that as the Company's amassed data grows in the future, it can facilitate access of significantly more data to its data-partners and customers.

During the quarter ended January 31, 2014, iSIGN received from SST, a $500,000 purchase order for its mobile data, gathered from all sources. At that time, we could only forward data gathered from mobile interactions and SST was looking for mobile and related point-of-sale data. Our ability to monetize this order will require us to integrate mobile data with point-of-sale data.

To that end, the Company commenced development of it Point-of-Sale Data Acquisition ("PDAQ") software that allows purchase data from clients' point-of-sale systems to be related to the mobile data gathered by our hardware, either the Smart Antenna or the Smart Player in real time.

Some of our specific opportunities for revenues are as follows:

- *Graphic Media, Inc.* – is iSIGN's exclusive master distributor for the Americas in addition to having acquired the exclusive rights to various territories in the United States for sales purposes. Graphic has created the National Mobile Network ("NMN"), an advertiser-supported network that partners with independent convenience stores to enable the convenience stores to engage customers via their mobile devices.

  Graphic was instrumental in arranging an agreement with National Oil and Gas, Inc. for the installation and deployment of the Company's Smart Antennas in various locations in Indiana and Ohio. During the quarter ended January 31, 2013, the Company received a purchase order from Graphic for 6,000 Smart Antennas, subject to final procurement and delivery arrangements. The initial delivery of 500 units towards this order occurred during the same period. Graphic continues to deploy units from its initial order of 500 and in fiscal 2014, made a written request for the remaining 5,500 units from their November 2012 purchase order. This request is for a mix of Smart Antennas and Smart Players and is subject to the production of units and timing of installations.

  On August 20, 2014, Graphic announced a restructuring and planned expansion of the NMN, which announced the management structure of a separate entity, Engage Mobile Media Solutions ("Engage") to sell third party advertising on the Smart Antenna/Smart Player units located in the NMN. Engage's staff consists of proven media and advertising executives as well as a data intelligence team. Graphic announced that their expectations were that the NMN would expand to 10,000 locations by the end of calendar 2015 and 25,000 locations by the end of 2016 and that they were currently raising funds in the United States to finance this expansion.

  On November 3, 2014, Graphic announced a strategic partnership with The Convenience Network ("TCN"), which is owned and operated by The Convenience Network, INC. the US's leading digital signage network provider to the convenience store channel, with TCN's network of 300 convenience stores to be integrated with our Smart Antennas.

  This partnership led to an installation of our Smart Antennas into 38 Golden Pantry locations in the greater Atlanta, Georgia area. Through the sales efforts of Engage, four major national brands, including Kellogg's, Swisher Sweets, Mars and most recently, Coka-Cola are currently advertising at this location to test the ability

Outlook – continued

of our patented software solution to provide data and proof of performance. It is expected that the metrics generated by our software solution will result in the continued presence of this advertisers on the NMN, as well as an expansion of the NMN into additional convenience store/gas chains with our product, with the result of generating regular sustained monthly recurring revenue.

Swisher Sweets has announced that they have seen unprecedented sales lift during their advertising on the Golden Pantry network and they have advised that they will continue to advertise on the expanding NMN beyond the test period.

A major national pizza chain located in the United States, has been conducting a pilot program with our Smart Antennas in seven of their outlets. Based on the exceptional results that our technology has delivered, the chain's soft drink beverage supplier has elected to join the trial, with a desire to see what sales lift we can bring to their products. The expected end result would be a roll-out into the entire pizza chain.

Data generated by all of Graphic's installations will be stored and sold by iSIGN.

- *JEA Technologies Pty Ltd*. **–** became an iSIGN reseller in Australia and New Zealand in late March 2014 and our exclusive distributor in Australia in July 2014.

- *Speech and Software Technologies (1) PVT. Ltd.* – signed an exclusive distributor and reseller agreement for 7 years to distribute and sell all iSIGN products and data in India and other southeast Asian countries in November 2013. SST issued a $500,000 purchase order for our mobile data, gathered from all sources. The first data transfer, valued at $50,000 has been delivered and paid for. The continued monetization of this order requires the delivery of point-of-sale data and mobile data. This integration of mobile and point-of-sale data is expected to result in higher sales prices as stated by Baylor University/Hankamer School of Business.

- *Baylor University* – on November 21, 2012, the Company entered into a memorandum of understanding with Baylor University for the establishment of an agreement for research and business development collaborations on market metrics that are developed from the consumer response data gathered by the Company's various installations. Baylor's analysis of iSIGN's data and the resulting published metrics results gives the Company an independent party's soft 'certification' of the Company's metrics from an internationally recognized university that other competitors have not obtained.

- *SC Best Communication* – became iSIGN's exclusive reseller in Rumania, Bulgaria and Hungary in October, 2014. SC is presenting to their contacts in the gas station, convenience store and hospitality channels as well as in the tobacco industry.

- *Keyser Industries Inc. – Reseller in the United States and provider of services including digital menu-signage to the QSR industry. -* was introduced to iSIGN by Graphic. In December 2012, iSIGN and Keyser signed an agreement appointing Keyser as the exclusive provider of installation and deployment services for Smart Antennas and related software in similar territories to the Graphic distribution agreement for the QSR field. In July 2014, Keyser became a reseller of our hardware and technology and signed a partnership agreement with both the Company and Graphic. It is anticipated that Keyser will be our core customer for the Company's Smart Player for their QSR clients. Keyser has completed its testing of the Smart Player prototype as well as their Beta testing of Chameleon software. Both the hardware and software passed their vigorous testing and were approved without issue. The next step is for Keyser to finish their new drive-thru kiosks for the QSR market.

Outlook – continued

- On December 14, 2014, the Company announce that it was pursuing the real estate market, introducing the Digital For Sale Sign to that marketplace. This marketplace is sizable, with over 108,000 real estate agents in Canada and over 900,000 agents in the United States. In essence, the Digital For Sale Sign is the Smart Antenna, installed at either a residential or commercial property that would broadcast listing and broker

  information, videos and pictures of the property with other pertinent neighbourhood details such as schools, recreational facilities, solicitations for feedback on the property, etc. Initial feedback from brokers and agencies has been favourable and the Company is in the process of preparing for presentations to specific agencies and brokers in January. Trials presently being conducted in Florida with agents.

- At the same time, the Company announce completion of a mobile Smart Antenna powered by plugging into the vehicle's cigarette lighter. The mobile unit is suitable for use by any professional or tradesperson whose vehicle is sitting at an offsite work location or in a company's parking lot for periods of time as the mobile unit would be broadcasting promotional material and contact info to mobile devices in proximity to the unit, thus creating opportunities to attract additional revenue opportunities.

- *Chinney Concepts Ltd. LOI* – under the terms of the LOI, Chinney would become the Company's licensed partner, reseller and a technology provider of iSIGN's products in an area to include mainland China, Hong Kong, Macau and Taiwan, and software to Chinney's existing and prospective customers, including exclusively for four of Asia's top convenience store chains: 7/11, Family Mart, Lawson and Circle K, with approximately 39,000 locations. Chinney subsequently advised that they are waiting for delivery of a Smart Player for testing before they come to a final decision.

- *Dynamic Digital Strategic Solutions, LLC* – became an iSIGN reseller in March 2014 and will be enhancing their own line of products with iSIGN's technology and hardware.

- *Magnetic Media Holdings, Inc.* – became an iSIGN reseller in March 2014 and will be selling our proximity-marketing technology and hardware in conjunction with their own line of products.

- *Nümédia* – entered into a System Integrator Agreement on July 17, 2014, whereby iSIGN's products will be integrated with the products offered by Nümédia.

Subsequent to the quarter end, the Company announced that through its Australian distributor/reseller JEA, that they were working with Fujitsu Australia ("Fujitsu"), an industry leading provider of digital media solutions to retail banking, transport and commercial industry segments in Australia and New Zealand.

Fujitsu and their clients are looking for what they describe as hard, real data in order to calculate ROI and recognizes the advantages that our technology offers over Beacons and apps. Fujitsu is looking to utilize iSIGN's technology and resulting analytics to enhance their digital signage model for clients and to aid in generating new retail sales.

In late March, JEA in conjunctions with their eHealth consortium partners, participated in the Australian Healthcare Week trade expo. JEA has identified healthcare as potential new channel for our solution, broadcasting public health marketing from medical centres and doctors' offices. In addition, attending this show was an excellent opportunity to showcase our technology to the various exhibitors and visitors.

Outlook – continued

iSIGN in late March, signed Selkirk Signs Calgary Ltd ("Selkirk") to a three year reseller agreement, with annual commitments for specified levels of purchases and a payment for an opening order of 10 units upon the signing of the agreement and an additional order for 40 units within sixty days of the agreement being signed.

In March, iSIGN announced an agreement with Chameleon Digital Media to install 100 Smart Antennas into various pubs and bars in the downtown Toronto, Ontario, Canada area. The first installation was in The Wheat Sheaf Tavern. Toronto's oldest pub, operating continuously from 1848.

Generally the opportunities discussed under the 'Outlook' section are on a best efforts basis and there is no guarantee that any of these potential deals will be successful and result in significant future revenues.

Financial Highlights

Summary Results

In the nine months ended January 31, 2015, revenues decreased by $287,950 from the comparable period in the previous fiscal year and the net loss reported by the Company decreased by $1,655,840. The loss per share at January 31, 2015 improved by $0.024 from January 31, 2014. The following table details the financial highlights for the nine months ended January 31, 2015 and 2014.

	2015	2014	Increase/(Decrease)
Revenues			
Sales	$ 38,324	$ -	$ 38,324
Services	229,708	555,982	(326,274)
	268,032	555,982	(287,950)
Gross Margin (Loss)	84,272	(184,924)	269,196
Expenses			
Selling and marketing	34,929	710,621	(675,692)
General and administration	1,045,354	1,572,401	(527,047)
Depreciation – property and equipment	12,427	29,269	(16,842)
Amortization – intangibles	114,970	391,932	(276,962)
Research	-	17,450	(17,450)
Loss on disposal of fixed assets	-	5,089	(5,089)
Bad debt recovery	(23,825)	(28,873)	5,048
Interest	61,607	17,917	43,690
	1,245,462	2,715,806	(1,470,344)
Loss before income tax recovery	(1,161,190)	(2,900,730)	1,739,540
Provision for deferred tax recovery	-	83,700	(83,700)
Net loss and comprehensive loss	(1,161,190)	(2,817,030)	1,655,840

Financial Highlights - continued

Accounting Policy

iSIGN reports outlays on research activities as an expense in the period in which the outlay is incurred. Once an internal project transitions from the research phase to the development phase, it is then recorded as an internally generated intangible asset if, and only if, all of the following have been demonstrated: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible and use or sell it; (iii) the ability to use or sell the intangible asset; (iv) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Further, the intangible asset is evaluated to determine if it has a finite or indefinite life. If the asset has a finite life the estimated useful life is determined when the asset is available for use. Intangible assets that have an indefinite life are not subject to amortization. Where no internally–generated intangible asset can be recognized, development expenditures are recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The Company has determined that criteria required to capitalize these costs have been demonstrated at the start of fiscal 2014. In the nine months ended January 31, 2015, $100,811 was capitalized as technology development costs (2014 - $Nil) and $466,278 was capitalized as data development costs (2014 - $Nil). The Company anticipates continuing with this accounting policy and capitalizing these costs until the development phase is complete as demonstrated by iSIGN's products being available for use and additional sales orders being received.

As a result, the comparability of expenses from quarter to quarter and year to year is affected.

Discussion - Financial Results

<u>*Revenues*</u>

- Sales – revenues are derived from the sale of Smart Antennas and hardware related to our digital signage network. For the nine months ended January 31, 2015, sales of the Company's Smart Antennas were $38,324 (2014 - $Nil).

- Services – revenues are derived from advertising on the digital signage network, monthly recurring fees on mobile messaging and data sales. Advertising revenues for the nine months ended January 31, 2015 were $213,471 (2014 - $481,476). Monthly recurring fees for the Company's mobile installations were $16,237 for the nine months ended January 31, 2015 (2014 - $25,429). Data sales for the nine months ended January 31, 2015 were $Nil (2014 - $49,077). Data sales going forward are dependent on expanding installations of the Company's equipment and technology and upon the completion of the PDAQ software that allows purchase data from clients' point-of-sale systems to be related to the mobile data gathered by our Smart Antennas or Smart Players in real time. The Company is in the process of exiting from its digital signage network in the Mac's Convenience Stores/Couche-Tard ("Mac's") network. This exit is based on the recognition that the third party resellers have been unable to provide advertising sales that allowed for the costs to run the network to be covered. Stepping away from this network will allow the Company to fully concentrate its assets fully upon its core business – proximity marketing and software development to support proximity marketing. The Company will be fully exited from the network by the end of the Company's fiscal 2015 year-end.

Financial Highlights – continued

Gross Margin (Loss)

- Gross margin is impacted by the product mix and revenue volumes recorded during the periods, as well as by the Company's fixed and variable costs. Future gross margins and percentages are dependent on the mix of hardware, monthly licensing and digital signage advertising revenues. Fixed costs include outsourced services. Variable costs include the cost of resold hardware and repairs and maintenance costs.

- Gross margin for the nine months ended January 31, 2015 increased over the comparable period in fiscal 2014 primarily due to reduced fixed costs incurred on the digital signage network and the margins on the sale of hardware.

Interest

- Interest costs have increased primarily due to the convertible notes entered into in at the end of July 2014. These notes were retired subsequent to the close of the October 2014 quarter-end.

Amortization and depreciation

- Depreciation has decreased as the digital signage network equipment has essentially been fully depreciated/impaired.
- Amortization has decreased due to the impairment charge to the digital signage network's intangible assets taken in late fiscal 2014 and to revising the amortization on our Technology Development assets to recognize that these assets have an indefinite life and as such are not subject to amortization.

Other discussion on financial line-items is presented in the "Results" section of the Management, Discussion and Analysis.

Business, Products and Strategy

iSIGN has transitioned from a strict SaaS company to an SaaS company with an exceptionally strong focus on data that collects shopper preferences so that brands can deliver targeted messaging and personalized offers to consumers' mobile devices, in-location and in real-time. The Company's interactive proximity-marketing technology is capable of gathering data on price points, typical purchases, in-store dwell time and other shopper metrics to deliver business intelligence and insights into emerging consumer behaviors that can help brands make better business decisions and measure their marketing efforts. Utilizing Bluetooth and Wi-Fi to deliver relevant and timely messaging to any screen or mobile device, iSIGN serves rich media, permission-based messages free of charge to consumers that can drive immediate brand engagement, increased customer loyalty and deliver higher ROI on marketing dollars spent. Additionally, we gather "Clean Data" (data that is entirely anonymous with regards to shoppers' privacy, capturing absolutely no personal information), while gathering potentially valuable information that is both preference based and predictive on a variety of interactions with shoppers' mobile devices.

The Company completed its Smart Antenna platform development in late February of 2012, with the first delivery of units being in May 2012. The Smart Antenna is a single all weather antenna unit capable of withstanding extreme weather temperatures, that can broadcast to mobile devices simultaneously by utilizing Wi-Fi and Bluetooth technology. This product addresses prospective clients' requests for a product that would reach iPhones, iPads and other Wi-Fi capable devices.

The Smart Antenna appears as a free and open access point to mobile device users. As users simply connect to the Smart Antenna and view content within the web browser that is available on their phone, there is no requirement to download anything to the mobile device in order to view mobile web content, which can include coupons,

Business, Products and Strategy - continued

product info, videos, and games. Content can be interactive and support user polling and loyalty membership management.

During fiscal 2014, the Company began development of its second standalone proximity marketing product, the Smart Player. The Smart Player combines media and customer engagement tools into a single solution. A first for the digital signage industry, iSIGN's Smart Player combines digital signage and mobile messaging with real-time measurement of shopper responses, delivered in a unique, cost-effective package that distributes marketing messages to all screens and devices – whether mobile or stationary - in proximity to a location. In addition, the Smart Player adds wireless connectivity that traditional digital players do not offer. Each Smart Player can manage two digital signs as well as content, combining network management software and wireless connectivity for easy and fast installations. The Smart Player also incorporates the messaging ability of the Smart Antenna to message all mobile devices that come within its set proximity and retrieve customer responses for real-time or future analysis.

Keyser, who is expected to be our initial major client for the Smart Player, has completed its testing of the Smart Player prototype as well as their Beta testing of the Chameleon software that manages the content displaying on the digital signage. Both the hardware and software passed their vigorous testing and were approved without issue.

Opportunities in proximity marketing have emerged as the logical intersection of three trends:

The first trend is the swift advent of mobile culture. Today's consumers increasingly leverage mobile phones as a de facto portal to the world; the primary interface available anywhere at any time. Through their mobile devices they conduct research, connect and share with others, and in many cases make purchasing decisions.

The second trend is digital signage, which provides a dynamic opportunity for retailers to promote their brands, their products, and their services via the full power of a multimedia solution.

Third, the expanding commercialization of consumer data reflecting shopping behaviour linked to digital/mobile incentives.

Marketing and Pricing

The Company has entered into an exclusive distributorship agreement with Graphic, based out of Bluffton, Indiana as its exclusive distribution partner in North America for the Smart Antenna and the upcoming Smart Player.

Graphic has recently created a sales arm, Engage, to obtain third party advertising for existing and future installations of units in the NMN channels, including convenience stores/gas stations, drug stores, grocery stores and other retailers. The QSR channel is not considered to be a part of the NMN due to the expectation that channel will not want third party advertising on their networks.

Graphic has also recently entered into a partnership agreement with The Convenience Network to build the world's first and largest integrated technology advertising platform for convenience stores, utilizing digital signage enhanced with iSIGN's mobile messaging ability and data analytics.

The Company's price lists provide two options for customers. The first is that customers can pay a one-time up-front fee for the device with monthly payments for the software license and network access fee. The second option is that the hardware, software license and network access fee can be incorporated under a single monthly

Business, Products and Strategy - continued

Marketing and Pricing- continued

payment. As this second option reduces the customer's upfront costs, we anticipate a growing demand for this pricing option.

Based upon a review of our gathered mobile data, Dr. J. Tanner of Baylor University/Hankamer School of Business, estimates that the minimum commercial value of our data insights is $0.20 per insight. Potentially, the ability to link insights to additional information (point-of-sale data) could increase the commercial value of context based insights to a range of $1.40 to $2.00 per linked-insight. If integrated into customers' loyalty programs, where customers' permission-based identifications are included, these insights could have a commercial value range of $3 to $4 per integrated insight. The Company anticipates one-off sales of data insights in packages and potentially a subscription based pricing for streaming data/insights monthly service.

Technology Development Strategy - Research and New Product Development

iSIGN continually develops its technology with internal resources, and where necessary with its business partners. The Company has a full-time contract with the original architect of the iSIGN Bluetooth proximity marketing technology. As head developer for the Company he was core to the improvements as well as the expansion for Wi-Fi connectivity. iSIGN has existing patent applications for Canada and various Asian countries. It is expected that the recent granting of patent status in the United States will result in similar patent granting for our present applications. The Company will be expanding its patent applications to other countries and will continue to pursue patent applications for its new hardware and technology advancements. In addition, the Company has a full-time Chief Technology Officer.

Outsourcing and Strategic Business Relationships

The Company continues to formally partner with other companies to expand its business. In addition to key players such as IBM, who announced that our technology is their preferred source of proximity marketing content, the Company has partnered with: Graphic - an exclusive distribution agreement for the Company's Smart Antenna in North, Central and South America and Keyser - a reseller agreement to market and see our products and technology in the United States; a partnership agreement with iSIGN and Graphic and an exclusive agreement for the installation and deployment of the Company's Smart Antennas for the QSR channel. The Company will continue to pursue business relations to expand and grow its business in the United States and other markets.

The Company has signed agreements with several companies to act as resellers and distributors for our technology and hardware in various countries: Australia; India and other southeast Asian countries; Rumania, Bulgaria and Hungary; the United States and Canada.

The Company continually receives requests from companies located around the world inquiring about the possibility of entering into reseller requests with us. Currently we are dealing with companies located in: Sweden; United Arab Emirates; Panama; Canada; Chile; Kenya; Nigeria: New Zealand; the UK; Columbia; El Salvador and Germany. These requests are in various stages of discussion from preliminary conversations to in-depth negotiation and we expect that some could lead to reseller appointments with exclusive territories and upfront payments for hardware. These requests highlights the interest that our technology is receiving as a result of our efforts, through our public relations firm, to promote proximity marketing and our own technology.

Performance Drivers

External factors that exist outside management's ability to control and are significantly key to the success in our business are:

Over the past few years, various studies and reports have been written about the 'Mobile Marketplace'. Generally these articles have been predicting a bright future for what they have called mobile marketing. iSIGN promotes itself as proximity marketing, as our hardware is installed in close proximity to the point of origin of the message being broadcasted. We feel that this makes our mobile broadcasting to be more relevant to shoppers and will result in greater shopper acceptance of our messaging. The entrance of Apple's iBeacon has helped to give this market credibility and to promote the overall idea of proximity advertising. A sampling of the above-mentioned reports follow:

Business 2 Community reports that marketers spent $8.5 million on mobile marketing in the United States in 2013 and this is projected to reach $3.1 Billion by 2017.

Fast Company reports that 25% of Smartphone owners aged 18 to 44 "Can't recall the last time their smartphone wasn't near them."

Social Media Hat states that "99% of apps only get used once. Unless your app does something amazing that no one else's does, then the reality is it will be downloaded, opened and forgotten about."

Forrester Research states that among 500 consumers who have used a digital coupon within the past 3 months, 59% have stated that digital coupons and coupon codes are most likely to influence their purchase decision, compared with other types of digital promotions. Of these, one-third will redeem the coupon immediately.

As quoted in The Gapster, Location-Based Mobile Marketing Takes Off, July 2013, a recent survey of brand executives by Balihoo found that 91% are planning to invest in some location-based service.

A Google Shopper Marketing Agency Council Report in April 2013 reported the 65% of US Smartphone Shoppers prefer mobiles sites to apps.

A recent report by Deloitte "The Dawn of Mobile Influence", studied the growing impact of mobile devices in the retail sector. It discussed the fact that mobile influenced a significant 5.1% of in-store sales in the U.S.; that percentage, Deloitte states, translated into $159 billion in forecasted sales in 2012. They project that the mobile influence factor will reach 17-21% over the next four years, which will translate to $628-$752 billion in mobile influenced sales and that mobile has surpassed eCommerce as the greatest influencer.

Their study described the 'influence factor' as whether the shopper had used their Smartphone to shop, either before they go to the store or in the store. And their survey indicated that Smartphone shoppers are 14 % more likely that non-Smartphone shoppers to convert in store. And 61% said that they would likely use their Smartphone while in the store.

A Wikibon.org (professional community solving technology and business problems through an open source sharing of free advisory knowledge) based study estimated that the big data industry will reach $50 billion by 2017. Retailers are aggregating data from a variety of sources such as online browsing and shopping patterns, social

Performance Drivers – continued

External factors that exist outside management's ability to control and are significantly key to the success in our business are: - continued

media sources, industry forecasts and existing customer records. Facebook is heavily invested in the big data market place as they extrapolate data from users "likes" and report findings to marketers. In 2012 they purchased data on 70 million households from Datalogix, a company that sifts and extracts loyalty program data from 1000-plus retailers.

ABI Research (technology market intelligence company with a 23 year proven track record) report shows that spending on global digital signage market, including software and hardware, is expected to grow from U.S. $1.3 billion in 2010 to U.S. $4.5 billion by 2016, while Magna Global (strategic global media unit of Interpublic Group) expects spending on digital billboards and posters to double in the next 5 year to U.S. $5.2 billion.

Internal factors which define the Company's performance indicators leading to revenue growth capability:

iSIGN gathers data from its various installations in the United States and Canada. The Company stores raw data in its cloud storage, which is virtually infinite. Data gathering will increase as our network of Smart Antenna installations expands. Data includes: (i) messaging to and from mobile devices including number of unique mobile devices, dwell-time, frequency of return visits and messages accepted, rejected and ignored, call-to-action/coupons downloaded and acted upon; and eventually, (ii) point-of-sale data. All basic insights are completely anonymous and do not violate any privacy issues.

Resources and Capabilities

The Company must pay competitive salaries and benefits in order to attract and maintain its key management and employees. In addition, key employees will participate in bonuses when the Company reaches profitability. No bonuses have been paid by the Company to date. The Company has a stock option plan that is approved by its Shareholders, which is used to provide incentives to employees and management.

Summarized below are details of the Company's key management who are responsible for the development and implementation of the Company's strategy in marketing and technology.

Management

President and Chief Executive Officer
Alex Romanov is an accomplished business executive with a history of identifying opportunities and turning them into high growth and profitable enterprises. Alex has diverse experience in a variety of industries such as consumer electronics, communication, digital imaging, video gaming, and e-commerce. Alex was the CEO and President of Alpine Electronics in Canada for 17 years, building the company to over $50 million in revenue with over 50% of the Canadian market share by 1995. After Alpine, Alex became founder and CEO and major shareholder of Royal Oak Marketing and was responsible for over 100 employees and $120 million in revenue. Royal Oak Marketing was sold for $29 million to an American concern. Alex then co-founded Spherex Inc., which developed and marketed an Xbox gaming audio system. Spherex was then sold to another U.S. concern in 2005. Alex has been iSIGN's Chief Executive Officer since November 2007 and has successfully restructured the company, positioning it for rapid growth worldwide.

Vice President, Business Development and Branding
Sandy Clarke assumed her current role with iSIGN in July 2013. Prior to joining iSIGN, she was the founder and President of The North 51st Group, a full service brand and retail marketing support company that developed

Resources and Capabilities – continued
Management - continued

strategy and executed moment of sale impact for global technology brands and many of North America's largest retailers. Prior to North 51st Group, she was the National Sales Manager for AST Computers and Vice President, Sales and Marketing for Alpine Electronics of Canada. Ms. Clarke has completed courses at York University and the University of Ontario in International Marketing, Financial Management and Board Effectiveness, in addition to various sales courses.

Technology

Chief Technology Officer
Mark Janke is a graduate of the Alberta Institute of Technology and the University of Alberta with a Bachelor of Science in Electrical Engineering. He has a wealth of experience in developing solutions within a variety of verticals including biomedical, automation and mobile advertising. Prior to 2000, Mark managed a team at Universal Dynamics that was responsible for development of sophisticated model based control software for lime kilns, breweries and other cost sensitive systems. After 2000, Mark managed the Field Applications group at Intrinsyc Software. Mark's team at Intrinsyc was responsible for system architecture, development, testing and customer support for mobile applications including biomedical devices, gaming systems and a variety of other platforms. Mark left Intrinsyc in 2005 and continued supporting mobile device development projects as a private consultant and as the founder of Deviceworx Engineering Inc. Mark joined iSIGN in 2009 and leads a team in improving iSIGN's ground breaking Interactive Marketing Solution ("IMS").

Head Developer
Chris Losari is a graduate of the University of British Columbia with a Bachelor of Applied Science in Electrical Engineering. After graduating Chris worked for Research In Motion in Waterloo, Ontario. From there, he joined Polycom Canada, based in Vancouver, British Columbia. Chris has been with iSIGN since its inception and developed the first version of iSIGN's IMS software system. Chris has over 7 years of experience in development of marketing solutions that leverage the Bluetooth Object Push Profile and Object Exchange protocol.

Liquidity and Capital Resources

Private Placements

The Company requires additional capital to continue its operations, and to continue to successfully pursue specific opportunities, until such time as it can sustain itself by revenues.

Cash Resources

The Company's cash resources decreased by $127,059 in the nine months ended January 31, 2015 compared with an increase of $69,201 in the comparable period of the prior year.

	Nine months ended January 31	
	2015	**2014**
Net cash used in operating activities	$ (888,140)	$ (1,885,769)
Net cash used in investing activities	(582,103)	(581,680)
Net cash provided by financing activities	1,343,184	2,536,650
Cash (decrease) increase	$ (127,059)	$ 69,201

Resources and Capabilities – continued

Cash Resources – continued

Net Cash used in Operating Activities - the variances reflect the various non-cash items recorded during the nine month periods of each year and the transfer of costs into Intangible Assets as Data Development in the nine months ended January 31, 2015.

Net Cash used in Investing Activities - The nine months ended January 31, 2015 reflects the Company's development of the Smart Player and the transfer of costs into Data Development (both recorded under Intangible Assets). The prior year period predominantly reflects the prepayment of the two year contract for the development of the Smart Player and Smart Antenna upgrades.

Net Cash provided by Financing Activities - is a reflection of the timing of the proceeds of private placements, loans and the exercise of stock options.

Cash and Working Capital

	January 31, 2015	April 30 2014	Increase (decrease) in working capital
Cash and cash equivalents	$ 6,743	$ 133,802	$ (127,059)
Current assets	$ 1,588,763	$ 970,745	618,018
Current liabilities	1,652,309	1,322,115	(330,194)
Working capital deficit	$ (63,546)	$ (351,370)	287,824

The Company's cash balances decreased to $6,743 from the April 30, 2014 year-end of $133,802 mainly due to ongoing losses. The increase in current assets to $1,588,763 from the April 30, 2014 year-end of $970,745 is the result of increased inventory. These increases were partially offset by the decrease in sales taxes recoverable, receivables, other receivables and prepaid expenses. The increase in current liabilities to $1,652,309 from the April 30, 2014 year-end of $1,322,115 is predominantly due to accounts payable relating to the Company's purchase of inventory.

The working capital deficit at January 31, 2015 decreased by $287,824 to $63,546 from the April 30, 2014, year-end deficit.

The Company continues to expend cash over and above its revenues. This will continue until the Company achieves breakeven. The Company continues to depend heavily on equity financing to fund its operating losses.

The Company will be consuming its cash resources at approximately $420,000 - $440,000 per fiscal quarter for its operating activities. The Company's cash reserves, collection of receivables and financing received subsequent to the quarter-end, will enable the Company to operate into the early part of fiscal 2016.

Resources and Capabilities – continued

Cash and Working Capital - continued

The table below details the Company's current liabilities and long term contractual commitments on a cash basis:

	Total	Under 1 Year	1 – 3 Years	After 3 Years
Trade accounts payable and accrued liabilities	$ 1,687,595	$ 1,687,595	$ -	$ -
Operating leases	96,376	14,015	82,361	-
Total	$ 1,783,971	$ 1,701,610	$ 82,361	$ -

Results

Expenses for the Nine Months Ended January 31, 2015 and 2014

The following tables and discussion provides more in depth detail on the Company's expenses as required by National Instrument 51-102 for venture exchange companies with minimal revenues. As stated earlier, the comparability of expenses from year to year and quarter to quarter has been affected by the transfer of costs into the Intangible Asset for Data Development.

	For the nine months ended January 31				Increase
	2015		2014		(decrease)
Purchases of goods and services	$ 167,373	91.0%	$ 599,534	80.9%	$ (432,161)
Salaries	-	0.0%	19,216	2.6%	(19,216)
Benefits	100	0.1%	4,709	0.6%	(4,609)
Contractual services	-	0.0%	42,554	5.7%	(42,554)
Repairs and maintenance	3,525	1.9%	54,810	7.4%	(51,285)
Shipping and packaging	128	0.1%	4,240	0.6%	(4,112)
Travel	6,384	3.5%	12,508	1.7%	(6,124)
Operations facility	6,250	3.4%	3,335	0.5%	2,915
Total - Cost of Sales	$ 183,760	100.0%	$ 740,906	100%	$ (557,146)

Current period costs predominately reflect costs related to the digital signage networks. Purchase of goods and services also includes costs of hardware sold within the quarter. Current quarter costs reflect the transfer of costs into Intangible Assets for Data Development.

Results- continued

Expenses for the Nine Months Ended January 31, 2015 and 2014 - continued

	For the nine months ended January 31				Increase
	2015		2014		(decrease)
Travel, tradeshows and promotional	$ 798	2.3%	$ 117,817	16.6%	$ (117,019)
Royalties	-	0%	378,516	53.2%	(378,516)
Third party commissions	30,487	87.3%	131,658	18.5%	(101,171)
Salaries	-	0%	37,548	5.3%	(37,540)
Benefits	-	0%	4,844	0.7%	(4,844)
Contractual services	3,000	8.6%	36,808	5.2%	(33,808)
Other	644	1.8%	3,430	0.5%	(2,786)
Total - Selling and marketing	$ 34,929	100%	$ 710,621	100%	$ (675,692)

Current period costs reflect the transfer of costs into Intangible Assets for Data Development. Third party commissions are a function of the revenues generated by the digital signage networks and will accordingly vary with revenue levels.

	For the nine months ended January 31				Increase
	2015		2014		(decrease)
Salaries	$ 66,503	6.3%	$ 79,547	5.0%	$ (13,044)
Benefits	5,928	0.6%	11,175	0.7%	(5,247)
Contractual services	183,142	17.5%	410,270	26.1%	(227,128)
Stock-based compensation	370,483	35.4%	451,342	28.7%	(80,859)
Travel and auto	8,951	0.9%	33,308	2.1%	(24,357)
Office costs	56,258	5.4%	60,714	3.9%	(4,456)
Occupancy and operating costs	42,187	4.0%	67,893	4.3%	(25,706)
Professional	140,386	13.4%	215,061	13.7%	(74,675)
Consulting	88,377	8.5%	227,319	14.5%	(138,942)
Directors' fees	150,000	14.4%	40,000	2.5%	110,000
Other (income)/expense	(66,861)	(6.4%)	(24,228)	(1.5%)	(42,633)
Total - General and administration	$ 1,045,354	100.0%	$1,572,401	100%	$ (527,047)

Current period costs reflect the transfer of costs into Intangible Assets for Data Development. Stock-based compensation, which is a non-cash expense, varies according to the timing and quantity of stock options being granted. Director fees were increased in December 2013 with the election of the new Board. Other income/expense is a combined of currency exchange gains or losses which is a function of fluctuating exchange rates and reversal of prior period accruals that management deems are no longer required.

Results – continued

Rolling Eight Quarters Analysis

The following table details the last eight consecutive quarters, revenues, gross profit (loss) gross margin %, and major expense categories.

Quarter (3 months) ending (unaudited)	Q3. F2015 31-Jan 2015 $	31-Oct 2014 $	31-Jul 2014 $	30-Apr 2014 $	Q3. F2014 31-Jan 2014 $	31-Oct 2013 $	31-Jul 2013 $	30-Apr 2013 $
Revenue - sales	2,897	30,000	5,427	2,235	-	-	-	40,050
Revenue - service	71,715	132,736	25,257	57,129	153,560	233,524	168,898	173,375
Total revenue	74,612	162,736	30,684	59,364	153,560	233,524	168,898	213,425
Cost of sales	64,908	61,029	(57,823)	(12,688)	259,549	251,707	229,350	372,338
Gross profit (loss)	9,704	101,707	(27,139)	72,052	(106,289)	(18,183)	(60,452)	(158,913)
Gross margin	13.0	62.5	(88.4)%	121.0%	(69.0)%	(8.0)%	(36.0)%	(74.0)%
Selling and marketing	5,483	23,883	5,563	(91,858)	200,247	253,370	257,004	238,316
General and administration	441,166	291,857	312,331	1,003	722,143	361,140	489,118	400,387
Bad debt (recovery)	(23,825)	-	-	19,248	-	(28,873)	-	128,155
Impairment (recovery) of other receivable	-	-	-	-	-	-	-	(29,595)
Depreciation	4,142	4,143	4,142	20,306	10,053	9,829	9,387	128,405
Amortization	38,374	38,298	38,298	78,512	130,644	130,644	130,644	146,704
Research and development	-	-	-	(17,450)	4,000	1,900	11,550	10,934
Impairment – digital signage	-	-	-	380,902	-	-	-	897,000
Impairment – interactive media devices	-	-	-	51,204	-	-	-	-
Loss on disposal of fixed asset	-	-	-	-	-	-	5,089	-
Interest	6,039	37,961	17,607	13,705	3,998	7,136	6,783	6,452
Total operating expense	471,379	396,142	377,941	455,572	1,071,085	735,146	909,575	1,926,758
Loss before extraordinary gain and income tax	(461,675)	(294,435)	(405,080)	(383,520)	(1,177,374)	(753,329)	(970,027)	(2,085,671)

Results – continued

Rolling Eight Quarters Analysis – continued

Revenue for the April 2013 quarter was a mix of hardware sales to the City of Calgary for their digital signage network and digital signage advertising. Revenue for the July and October 2013 quarters were predominantly from digital signage advertising. Revenue for the January 2014 quarter was primarily from digital signage advertising and data sales. Revenue for the April 2014 quarter was primarily digital signage advertising, as well as antenna licensing fees and Smart Antenna sales to our Australian distributor. Revenue for the July 2014 quarter was primarily Smart Antenna sales to our Australian distributor and digital signage advertising. Revenue for the October 2014 and January 2015 quarters were predominately digital signage advertising and digital signage hardware sales.

The April 2013 quarter was negatively impacted by the installation costs for the Smart Antennas in the National Oil locations, combined with maintenance costs for the Company's digital signage network. The July and October 2013 and January 2014 quarters were all impacted by the Company's decision, effective July 1, 2013, to outsource services previously handled by salaried and contractual staff at a flat fixed monthly fee, as well as by fluctuating revenues from the digital signage network. The April and July 2014 quarters were impacted by reduced digital signage advertising revenues and the transfer of costs into Intangible Assets for Data Development. The October 2014 quarter reported a substantial improvement in gross profit, compared to other quarters, mainly due to the higher margin realized on the sale of digital signage hardware as well as to increased revenue levels for the digital signage network in relation to its fixed costs. The January 2015 quarter was affected by the booking of costs relating to cancelling the digital signage network's content management services.

Selling and marketing fluctuations in all quarters from April 2013 on are impacted by commissions paid to resellers on digital signage revenue and by our trade show attendance. The quarters from April 2014 on have been impacted by the transfer of costs into Intangible Assets for Data Development.

General and administration for the July 2013 quarter was primarily related to stock-based compensation, professional fees, including litigation costs, and public company costs (press releases and AGM costs), consulting costs, specifically investor relations and product development costs. The October 2013 quarter was impacted by increased consulting fees related to investor relations and the absence of any stock-based compensation. The January 2014 quarter was impacted by stock-based compensation, an increase in directors' fees and various public company costs, including the costs of our AGM, held in December 2013. The April 2014 quarter was impacted by stock-based compensation, increased directors' fees and various public company costs, including investor relation programs that started in July 2013, as well as by the transfer of costs into Intangible Assets for Data Development. The July and October 2014 and January 2015 quarters were impacted by the transfer of costs into Intangible Assets for Data Development as well as by increased directors' fees and stock based compensation.

Research and development costs fluctuated throughout all quarters based upon the specific projects that were underway at each point in time. Smart Antenna project costs were incurred from the July 2012 quarter through the April 2013 quarter. Smart Player project costs are being capitalized as they are incurred as Intangible Assets, Technology Development Costs.

During the October 2013 and January 2015 quarters, the Company reversed a portion of the amount previously set-up as a bad debt allowance in the April 2013 quarter that related to one of the Company's digital signage resellers. In the April 2014 quarter, an additional bad debt allowance was recorded related to one of the Company's digital signage resellers.

In accordance with the Company's accounting policies, Impairment losses were recorded in April 2013 and April 2014 relating to the equipment, goodwill and other intangible assets of the digital signage network.

Results – continued

Rolling Eight Quarters Analysis – continued

During the April 2013 quarter, the Company reversed a substantial portion of the impairment of other receivables that were owed by the former majority shareholder of iSIGN Network. The original impairment had been recorded in the January 2013 quarter. The adjustment to the impairment reflected a negotiated settlement of the debt.

Common shares - outstanding share data

	As at January 31 2015	**As at April 30 2014**
Basic common shares	90,419,631	80,563,133
Convertible securities:		
Warrants	23,950,793	19,566,215
Options	6,983,333	7,888,333
Fully diluted common shares	121,353,757	108,017,681

Significant ownership concentration:		**Percentage of Issued Shares**
Alex Romanov - CEO and director	9,855,229	10.90%
Korona Group Ltd.	12,228,438	13.53%
Cancore Enterprise Inc.	6,585,152	7.29%
Tesar Inc.	5,166,667	5.72%
	33,835,486	37.42%

Changes in Internal Controls and Assessment of Financial Information Controls and Procedures

The Company anticipates that no changes will be made to its internal controls at the Board of Directors' next meeting which will be held subsequent to the Annual General Meeting held on March 13, 2015. The Company previously reviewed the Company's internal controls and procedures and determined that they are appropriate for the Company's current needs in December 2013.

Disclosure controls and procedures ("DCP") are intended to provide reasonable assurance that information required are disclosed, processed, summarized and reported within the time periods specified by securities regulations, and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

TSX Venture listed companies are not required to provide representations in their annual and interim filings related to the establishment and maintenance of DCP and ICFR, as defined in Multinational Instrument MI 52-109.

Results – continued

Changes in Internal Controls and Assessment of Financial Information Controls and Procedures - continued

In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of: (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The issuers' certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificate regarding absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DCP and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Management's Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant management estimates include allowance for doubtful accounts, useful lives of capital and intangible assets, impairment of assets and share-based payments. Actual results could differ materially from those estimates. There have been no changes to critical accounting estimates in the current reporting period.

Transactions with Related Parties

All related party transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by both parties. In the normal course of operations, the Company:

- Pays the monthly fees of our Chief Executive Officer to a company owned by him.
- Pays the monthly fees of our Chief Financial Officer to a company owned by him.
- Previously engaged a law firm to provide legal services to the Company, one of the partners of which is a former secretary of the Company.
- Paid the monthly fees of our former Chief Financial Officer to a company owned by him.
- Entered into and paid a contract with a private corporation controlled by an individual considered to be a Company insider based on ownership in excess of 10% of the Company's common shares.
- Pays directors fees

Results – continued

Management Contracts

Alex Romanov

- Agreement signed with an effective date of Jan 6, 2015
- Term is for 5 years, expiring Jan 6, 2020
- Automatic renewals of 1 year terms, unless notice in writing is given 6 months prior to the expiration of the term
- Consulting salary of $15,000 per month plus a monthly car allowance of $1,480
- Severance is required equal to 12 months of Alex' consulting fee - $180,000
- U.S. dollar $6,000 per month salary with respect to operations based out of Company offices in Florida USA

Risks and Uncertainties

Any investment in the securities of the Company is speculative due to the nature of its business and its general stage of development. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. In addition to the usual risks associated with investment in a business, investors should carefully consider the following risk factors:

- No History of Profits

  iSIGN has not earned profits to date and there is no assurance that iSIGN will earn profits in the future, or that profitability, if achieved, will be sustained. The success of iSIGN ultimately depends upon its abilities to generate significant revenues to finance operations as opposed to external funding. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding. If the Company does not have sufficient capital to fund its operations, it may be required to forego certain business opportunities.

- Future Capital Requirements

  iSIGN will require additional financing in order to grow and expand its operations. Additional financing could include the incurrence of debt and the issuance of additional equity securities, which could result in substantial dilution to existing shareholders. It is possible that required future financing will not be available, or if available, will not be available on favourable terms. If adequate funds are not available, or are not available on acceptable terms, iSIGN may not be able to take advantage of opportunities or otherwise respond to competitive pressures and remain in business. There can be no assurances that iSIGN will be able to raise additional capital if its capital resources are exhausted.

- Management of Growth

  Any expansion of iSIGN's business may place a significant strain on its financial, operational and managerial resources. There can be no assurance that the Company will be able to implement and subsequently improve its operations and financial systems successfully and in a timely manner in order to manage any growth it experiences. There can be no assurances that iSIGN will be able to manage growth successfully. Any inability of iSIGN to manage growth successfully could have a material adverse effect on the Company's business, financial condition and operational results.

Risks and Uncertainties – continued

- Our sales efforts require significant time and effort and could hinder our ability to expand our customer base and increase revenue

  Attracting new customers requires substantial time and expense and we cannot assure that we will be successful in establishing new relationships, or maintaining or advancing our current relationships. For example, it may be difficult to identify, engage and market to customers who do not currently perform mobile marketing or advertising or are unfamiliar with our current services or platform. Further, many of our potential customers typically require input from one or more internal levels of approval. As a result, during our sales effort, we must identify multiple people involved in the purchasing decision and devote a sufficient amount of time to presenting our products and services to those individuals. The newness and complexity of our services, including our software as a service model, often requires us to spend substantial time and effort assisting potential customers in evaluating our products and services, including providing demonstrations and benchmarking against other available technologies, as well as trial periods. This process can be costly and time consuming. We expect that our sales process will become less burdensome as our products and services become more widely known and used. However, if this change does not occur, we will not be able to expand our sales effort as quickly as anticipated and our sales will be adversely affected.

- Technology

  iSIGN currently holds patent pending applications in Canada, China, Singapore and Malaysia, and is patented in the United States. Despite precautions that iSIGN may take to protect its rights, third parties may copy or obtain and use our intellectual property and other proprietary information without our authorization or they may develop similar or superior technologies. iSIGN enters into confidentiality agreements with its employees, clients, prospective clients and others. However, these agreements may not provide meaningful protection of our technologies in the event of unauthorized use or disclosure. Policing unauthorized use of intellectual property is difficult and the cost of enforcing our rights by way of litigation may be prohibitive. iSIGN's success will partially depend upon its ability to obtain, enforce and maintain patent protection for its intellectual property worldwide.

- Location-based Interactive Proximity Advertising Medium

  Although there is a large and growing amount of interest in this field from both the advertising community and digital sign companies, it is still new and relatively untested. There can be no assurances that advertisers will accept proximity messaging as an acceptable advertising medium or that they will either increase their advertising spending to include this medium or divert some of their existing advertising budget to this medium.

- Creating New Product Features

  iSIGN's ability to grow its revenue and client base will be impacted to a degree, by its ability to create and/or to react to the desire for additional features and functions for its technology.

- Competition

  iSIGN's competition for advertising dollars, are the more traditional forms of advertising - television, the print mediums (magazines and newspapers), radio and out-of-home advertising – that advertisers immediately consider when they think of communicating with potential consumers.

Risks and Uncertainties – continued

- Dependence on Key/Qualified Personnel

  The Company's success is dependent on the abilities, experience and efforts of its senior staff. The experience of these individuals, as well as new employees that we attract to our organization, will be an important factor contributing to iSIGN's continued success and growth. While iSIGN has entered into employment agreements with its senior management and staff, should these persons be unable or unwilling to continue their employment with the Company, the loss of one or more of these individuals could have an adverse effect upon iSIGN's operations and business prospects. In particular, the loss of our CEO would severely impact business prospects. There can be no assurance that iSIGN will not experience employee turnover in the future, or that iSIGN's staffing costs will not increase. There is no assurance that the Company will be able to continue to hire and retain a sufficient number of qualified personnel. The Company does not presently carry "key man" insurance policies on any of its officers, directors or employees.

- Vulnerability to Economic Conditions

  iSIGN is dependent upon the economic environments in which it operates. Demand for iSIGN's product could be adversely affected by economic conditions in the countries in which iSIGN's clients operate. iSIGN's business may be sensitive to external factors such as events which may adversely affect the economy and consumer spending. There can be no assurance that such factors may not have an adverse effect upon iSIGN's business.

Approval

The Audit Committee and the Directors of iSIGN Media Solutions Inc. have approved the disclosures in this MD&A and the accompanying unaudited condensed consolidated interim financial statements for the nine months ended January 31, 2015 and 2014.